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April 2003

BEFORE THE BOARD OF MILK CONTROL  
OF THE STATE OF MONTANA  
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

STATE DOCUMENTS COLLECTION

APR 08 2003



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EFFECTIVE:

April 1, 2003  
May 1, 2003  
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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%

\$12.19 /CWT

CLASS I BUTTERFAT PRICE PER POUND

\$1.15 /LB

EFFECTIVE May 1, 2003:

The minimum price to pay milk producers, under ARM 32.24.301, is \$12.19 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 11.5 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.15.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%

\$10.23 /CWT

Average spray process dry milk solids

price per pound = \$0.85250  
Multiplied by 8.2 x 8.2

\$6.99050

\$6.99050

Last quote of the month for Grade AA butter

minus a differential of \$.0895 = \$0.99800  
Multiplied by 4.2 x 4.2

\$4.19160

+ \$4.19160

LESS a make allowance of 8.5% ( \$11.1821 X .085)

+ \$11.18210

- \$0.95048

\$10.23162

Rounded to the nearest whole cent = \$10.23 /hundredweight.

**CLASS II BUTTERFAT PRICE PER POUND****\$1.11 /LB**

Last quote of the month for Grade AA butter				
minus a differential of \$.0895	=	\$0.99800	X .111 )	= \$0.11078
Rounded to the nearest half cent				= \$0.111

Butterfat value per pound		
for milk at 3.5% test:	\$1.11	

Hundredweight price of milk testing 3.5%		=	\$10.23
LESS 3.5 pounds of butterfat at	\$1.11	per pound	- \$3.885
Value of 96.5 pounds of skim		=	\$6.345

**CLASS II VALUE OF  
ONE POUND OF SKIM**

6.345 / 96.5 pounds)	=	\$0.06575 /LB
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**PRODUCER CLASS III PRICE IN MONTANA**

REF: ARM 32-24.301(7)

**CLASS III PRICE PER CWT FOR MILK TESTING 3.5%****\$8.75 /CWT**

3.5 pounds of butterfat	\$0.90	per pound =	\$3.150
96.5 pounds of skim	\$0.05802	per pound =	\$5.599
			<u>\$8.749 /CWT</u>

**CLASS III BUTTERFAT PRICE PER POUND****\$0.90 /LB**

Last quote of the month for Grade AA butter		
minus a difference of \$.0895	=	\$0.99800
LESS 10%	-	\$0.09980
		<u>\$0.89820</u>

Rounded to the nearest whole cent	=	\$0.90 per pound.
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**CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED****\$5.80212 /CWT**

Avg. spray process dry milk solid price/lb :	\$0.85250
Multiplied by 8.2	<u>8.2</u>
	\$6.99050
LESS 17%	<u>\$1.18839</u>
	<u>\$5.80212</u>

Rounded to the nearest whole cent	\$5.80	per hundredweight.
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**BY ORDER OF THE MONTANA MILK CONTROL BUREAU**

Compiled by:

*Monte Nick*  
 Monte Nick, Bureau Chief  
 Montana Milk Control Bureau

## BREAKDOWN BY TEST FOR CLASS I, II &amp; III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$12.19 FOR 3.5% MILK 96.5 LBS = \$8.165		CLASS II SKIM PRICE BASED ON \$10.23 FOR 3.5% MILK 96.5 LBS = \$6.345		CLASS III SKIM PRICE BASED ON \$8.75 FOR 3.5% MILK 96.5 LBS = \$5.599	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.08374	2.50	\$0.06508	2.50	\$0.05743
2.55	\$0.08379	2.55	\$0.06511	2.55	\$0.05746
2.60	\$0.08383	2.60	\$0.06514	2.60	\$0.05749
2.65	\$0.08387	2.65	\$0.06518	2.65	\$0.05751
2.70	\$0.08392	2.70	\$0.06521	2.70	\$0.05754
2.75	\$0.08396	2.75	\$0.06524	2.75	\$0.05757
2.80	\$0.08400	2.80	\$0.06528	2.80	\$0.05760
2.85	\$0.08405	2.85	\$0.06531	2.85	\$0.05763
2.90	\$0.08409	2.90	\$0.06535	2.90	\$0.05766
2.95	\$0.08413	2.95	\$0.06538	2.95	\$0.05769
3.00	\$0.08418	3.00	\$0.06541	3.00	\$0.05772
3.05	\$0.08422	3.05	\$0.06545	3.05	\$0.05775
3.10	\$0.08426	3.10	\$0.06548	3.10	\$0.05778
3.15	\$0.08431	3.15	\$0.06551	3.15	\$0.05781
3.20	\$0.08435	3.20	\$0.06555	3.20	\$0.05784
3.25	\$0.08439	3.25	\$0.06558	3.25	\$0.05787
3.30	\$0.08444	3.30	\$0.06562	3.30	\$0.05790
3.35	\$0.08448	3.35	\$0.06565	3.35	\$0.05793
3.40	\$0.08452	3.40	\$0.06568	3.40	\$0.05796
3.45	\$0.08457	3.45	\$0.06572	3.45	\$0.05799
3.50	\$0.08461	3.50	\$0.06575	3.50	\$0.05802
3.55	\$0.08466	3.55	\$0.06579	3.55	\$0.05805
3.60	\$0.08470	3.60	\$0.06582	3.60	\$0.05808
3.65	\$0.08474	3.65	\$0.06585	3.65	\$0.05811
3.70	\$0.08479	3.70	\$0.06589	3.70	\$0.05814
3.75	\$0.08483	3.75	\$0.06592	3.75	\$0.05817
3.80	\$0.08488	3.80	\$0.06596	3.80	\$0.05820
3.85	\$0.08492	3.85	\$0.06599	3.85	\$0.05823
3.90	\$0.08496	3.90	\$0.06602	3.90	\$0.05826
3.95	\$0.08501	3.95	\$0.06606	3.95	\$0.05829
4.00	\$0.08505	4.00	\$0.06609	4.00	\$0.05832
4.05	\$0.08510	4.05	\$0.06613	4.05	\$0.05835
4.10	\$0.08514	4.10	\$0.06616	4.10	\$0.05838
4.15	\$0.08519	4.15	\$0.06620	4.15	\$0.05841
4.20	\$0.08523	4.20	\$0.06623	4.20	\$0.05845
4.25	\$0.08527	4.25	\$0.06627	4.25	\$0.05848
4.30	\$0.08532	4.30	\$0.06630	4.30	\$0.05851
4.35	\$0.08536	4.35	\$0.06634	4.35	\$0.05854
4.40	\$0.08541	4.40	\$0.06637	4.40	\$0.05857
4.45	\$0.08545	4.45	\$0.06641	4.45	\$0.05860
4.50	\$0.08550	4.50	\$0.06644	4.50	\$0.05863

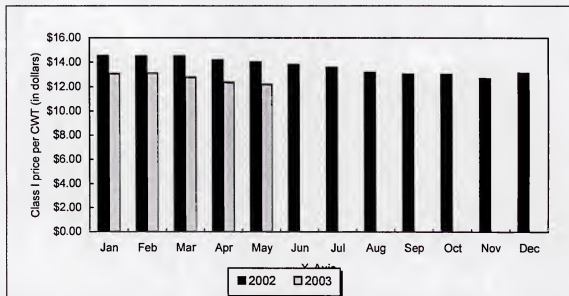
## PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2002 and 2003

Statistics from the Montana Milk Control Bureau

Month	2002	2003	Difference	% Change
January	\$14.53	\$13.07	(\$1.46)	-10.05%
February	\$14.51	\$13.11	(\$1.40)	-9.65%
March	\$14.50	\$12.78	(\$1.72)	-11.86%
April	\$14.17	\$12.36	(\$1.81)	-12.77%
May	\$14.02	\$12.19	(\$1.83)	-13.05%
June	\$13.81			
July	\$13.58			
August	\$13.17			
September	\$13.03			
October	\$13.01			
November	\$12.70			
December	<u>\$13.15</u>			
Average	\$13.68	\$12.70	(\$1.64)	-11.48%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

FEBRUARY 2003: class I = \$8.04; class II = \$0.98; Class III = \$2.88; total = \$11.91

(calculations based upon utilization percentages of butterfat &amp; skim)